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C O N F I D E N T I A L SECTION 01 OF 02 KATHMANDU 000723

SIPDIS

STATE FOR SA/INS LONDON FOR POL - GURNEY

E.O. 12958: DECL: 04/20/2013

TAGS: PGOV SOCI PTER ASEC
SUBJECT: NEPALI MAOISTS POSTPONE FIRST ROUND OF TALKS WITH GOVERNMENT AMID CONTINUED STUDENT PROTESTS

REF: A. (A) KATHMANDU 0677

¶B. (B) KATMANDU 0692 C. (C) KATHMANDU 0652

Classified By: AMB. MICHAEL E. MALINOWSKI. REASON: 1.5 (B,D).

SUMMARY

(C) Summary: Maoist negotiators have postponed the first round of "introductory" talks with their Government of Nepal (GON) counterparts that were scheduled to begin on April 21. The postponement reportedly took the Palace by surprise. Maoist negotiator Krishna Bahadur Mahara told the media that the insurgents postponed the talks because the ${\tt GON}$ was not prepared to discuss substantive issues in the first round. The excuse the Maoists gave the Palace—that they planned to be outside of Kathmandu on the date proposed for initial talks—is clearly course. talks--is clearly spurious. The Maoists likely postponed the talks in order to await the outcome of ongoing student protests and planned political party agitation and/or because of growing rumors of a change in the interim government. The postponement, while unexpected, should not be viewed as a serious setback to progress toward eventual negotiations. End summary.

ROUND ONE POSTPONED

- (SBU) On April 20 Maoist insurgents postponed the first round of official talks with the Government of Nepal (GON), scheduled to begin the following morning. Maoist spokesman Krishna Bahadur Mahara told the media the insurgents had called off the initial meeting because they were not convinced the GON team was adequately prepared to hold substantive discussions. He added that the talks might be rescheduled within three or four days, but did not specify a date. The Maoists did not inform the GON of the cancellation date. The Maoists did not inform the GON of the cancella until after 9:00 p.m. on April 20, leaving the government little time to react.
- (C) On April 21 Prabhakar Rana, King Gyanendra's business partner and confidant, told the Ambassador that the postponement had taken the Palace by surprise. The Maoists offered their travel to the southwestern district of Kailali as an excuse, according to Rana. In a separate meeting later the same day, Foreign Minister Narendra Bikram Shah told the Ambassador that the GON's offer to push the meeting forward to as early as 7:00 a.m. in order to accommodate the Maoists' travel plans had been rebuffed by the insurgents. Since the Maoists' "out-of-town" excuse is clearly little more than a pretext for delay, Shah asked, what is the real reason for the insurgents' decision to delay? He indicated some concern regarding the role of the major political parties, who continue to refuse to deal with the interim government of Prime Minister Lokendra Bahadur Chand. He noted that the parties had rejected the PM's invitation to join a committee to advise the GON-appointed negotiating team, and thereby have a role in the peace talks. He also mentioned that the Communist Party of Nepal - United Marxist Leninist (UML), the largest political party in the country, is coincidentally holding a Central Committee meeting in Kathmandu the same day originally scheduled for dialogue to begin. Shah said that the PM had instructed him to meet with foreign ambassadors to assure them that the GON remains ready to hold substantive discussions with the Maoists at any time.

STUDENT PROTESTS, STRIKES CONTINUE

 $\underline{\P}4$. (SBU) One possible reason for the Maoists' decision to delay talks may be in order to allow ongoing student-led demonstrations and general strikes, or bandhs, to put additional pressure on the GON (Ref A). Although the Maoist-affiliated student union initially helped mobilize other student groups aligned with the mainstream political parties to protest rising fuel costs (Ref C), the disparate groups' agendas have since mutated into an incoherent set of

mutually contradictory demands. Student protesters snarled traffic throughout Kathmandu on April 17-18, destroying university property and equipment and attacking police with stones and bricks, while a general strike called by the non-Maoist student unions closed businesses and halted vehicular traffic on April 20. The non-Maoist unions have called follow-up strikes on April 23 and April 28-29. Poorly trained and ill-equipped police are under growing pressure to contain the volatile demonstrations, which increased both in violence and frequency after the April 8 killing of a student demonstrator in southern Nepal (Ref C).

15. (C) While they are trying to keep a nominal distance from their student counterparts, trying to portray the demonstrations as a spontaneous, irrepressible display of public discontent with the GON, the party leaders are clearly encouraging the agitation. Nepali Congress spokesman Arjun Narasingh K.C. told poloff that his party was supporting the demonstrations. When poloff pointed out that Nepali Congress-affiliated students had proudly admitted in the press to committing vandalism and arson, K.C. backpedaled somewhat, appending to his earlier blanket statement of support the disclaimer that the party does not promote acts of violence. He promised to pass on to party leader G.P. Koirala poloff's observation that criminal acts committed by the Nepali Congress student union reflect poorly on a party that had led the fight for democracy in Nepal. In a speech one day later, Koirala was quoted as blaming the GON for the student unrest, charging that the GON "is trying to conceal its weakness by accusing the political parties of fomenting the movement. . . They need not blame parties for what is happening these days. It is the government which must take the blame."

NEW GOVERNMENT RUMORED

16. (C) Another possible reason for the postponement may be recent speculation that King Gyanendra may be contemplating changing the government, replacing Prime Minister Chand with someone more politically astute and allowing space for representatives of parliamentary parties to join (septel). If such a change is imminent, the composition of the GON negotiating team may also change (Ref B). The Maoists, who are said to be displeased with the choice of Deputy Prime Minister Mandal as lead negotiator, may be waiting to see if a more promising negotiating team materializes.

COMMENT

17. (C) The Maoists named their negotiating team almost immediately after the announcement of the ceasefire on January 29 and have been criticizing the GON ever since for delaying talks. For the Maoists to postpone talks after the GON had finally announced its team and agreed to a starting date for dialogue is thus more than a little ironic. Shah remarks about the mainstream political parties indicate that the GON is clearly concerned that the $\underline{\text{Maoists}}$ and the parties may make common cause against the government -- thereby weakening the GON's position just as it enters negotiations. While the Maoists' move to postpone is unexpected, it need not be viewed as a major stumbling block to eventual progress. The GON strategy so far has been to spin out the pre-dialogue phase for as long as possible, reasoning that each day of peace under the ceasefire weakens public tolerance for renewed violence and thus, ultimately, erodes remaining popular support for the Maoists. The GON can use this respite to review its negotiating positions with its newly formed team and to renew calls for the parties to cooperate in its efforts to find a peaceful resolution to the conflict.

MALINOWSKI